

NAAQS AND OTHER IMPLEMENTATION UPDATES

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Spring Business Meetings

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OVERVIEW

- NAAQS Implementation Updates
 - Ozone
 - Exceptional Events
 - Fine Particulate Matter (PM_{2.5})
 - Sulfur Dioxide (SO₂)
 - Lead
- Final Action on Startup, Shutdown, and Malfunction (SSM) Policy for SIPs and SIP Call
- Regional Haze
- Interstate Transport
- Permitting
- Clean Power Plan



NAAQS Reviews: Status Update

(as of March 2016)

	Ozone	Lead	Primary NO ₂	Primary SO ₂	Secondary NO ₂ and SO ₂	PM	CO
Last Review Completed (final rule signed)	Mar 2008	Oct 2008	Jan 2010	Jun 2010	Mar 2012	Dec 2012	Aug 2011
Recent or Upcoming Major Milestone(s)¹	<u>August 2014</u> Final REAs Final PA <u>Nov 25, 2014</u> Proposed rule <u>Oct 1, 2015</u> Final rule	<u>May 2014</u> Final PA <u>Dec 2014</u> Proposed decision <u>2016</u> Final decision	<u>May 2015</u> REA Planning Document <u>Jan 2016</u> Final ISA <u>Summer 2016</u> 1 st Draft PA/REA	<u>Jan 2015</u> CASAC review of 1 st Draft ISA <u>Fall/Winter 2016</u> 2 nd Draft ISA REA Planning Document	<u>Oct 2015</u> Draft IRP <u>Spring/Summer 2016</u> Final IRP <u>Fall 2016</u> 1 st Draft ISA REA Planning Document	<u>Spring 2016</u> Draft IRP	TBD ²

Additional information regarding current and previous NAAQS reviews is available at: <http://www.epa.gov/ttn/naaqs/>

¹ IRP – Integrated Review Plan; ISA – Integrated Science Assessment; REA – Risk and Exposure Assessment; PA – Policy Assessment

² TBD = to be determined



Anticipated NAAQS Implementation Milestones

(as of March 2016)

Pollutant	Final NAAQS Date	Designations Effective	Infrastructure SIP Due	Attainment -Plans Due	Attainment Date
PM _{2.5} (2006)	Oct 2006	Dec 2009	Oct 2009	Dec 2014	Dec 2015 (Mod) Dec 2019 (Ser)
Pb (2008)	Oct 2008	Dec 2010-2011	Oct 2011	June 2012-2013	Dec 2015-2016
NO ₂ (2010) (primary)	Jan 2010	Feb 2012	Jan 2013	N/A	N/A
SO ₂ (2010) (primary)	June 2010	Oct 2013 (+3 rounds)	June 2013	April 2015 (2018, 2019, 2022)	Oct 2018 (2021, 2023, 2026)
Ozone (2008)	Mar 2008	July 2012	Mar 2011	Mid 2015-2016	Mid 2015-2032
PM _{2.5} (2012)	Dec 2012	Apr 2015	Dec 2015	Oct 2016 (Mod)	Dec 2021 (Mod) Dec 2025 (Ser)
Ozone (2015)	Oct 2015	Dec 2017	Oct 2018	Dec 2020-2021	2020-2037



2008 Ozone NAAQS Implementation

- Final 2008 Ozone NAAQS SIP Requirements Rule: “Implementation of the 2008 NAAQS for Ozone: State Implementation Plan Requirements” published March 6, 2015 (80 FR 12264)
 - Provides guidance on nearly all aspects of the attainment planning requirements for designated nonattainment areas
 - Revoked the 1997 NAAQS (effective April 6, 2015) and established anti-backsliding requirements
- Key implementation dates for nonattainment areas:
 - Emissions inventories, emissions statement rules and RACT SIPs due July 2014
 - Attainment plans and demonstrations due July 2015 (Moderate) or July 2016 (Serious and above)
 - Marginal area attainment date July 20, 2015 (attainment determined by 2012-2014 air quality data)
 - Moderate area attainment date July 20, 2018 (2015-2017 air quality data)
- Litigation: South Coast Air Quality Management District and environmental petitioners (Sierra Club et al.) challenged various aspects of the 2008 SIP Requirements Rule, including creditability of reasonable further progress (RFP) control measures, baseline years of RFP, and anti-backsliding requirements
 - Petitioners’ opening briefs filed March 17, 2016; EPA response brief due August 1, 2016



2008 Ozone NAAQS Implementation: Actions for Marginal Nonattainment Areas

- Marginal area attainment date was July 20, 2015
- On April 11, 2016 (81 FR 26697), EPA finalized several actions for 36 Marginal areas under the 2008 ozone NAAQS:
 - Determinations of attainment by the attainment date for 17 areas
 - One-year extensions of the attainment date for 8 areas
 - Reclassification to Moderate due to failure to attain by the attainment date for 11 areas
 - Moderate area SIPs due January 1, 2017
- Attainment deadline for 8 areas with 1-year extensions is July 20, 2016



Progress on Ozone NAAQS Attainment

(as of March 24, 2016)

	1997 8-hr Ozone (2004 Designations)	2008 Ozone (2012 Designations)
Initial Nonattainment Areas	115	46
Areas Redesignated to Attainment	80 (prior to revocation)	2
Current Nonattainment Areas	35	44
Clean Data Determinations	26	2*
Proposed Redesignations/ Redesignation Substitutes	0	2

* Determinations of attainment by the attainment date proposed for 17 areas on August 27, 2015.



Background on 2015 Ozone NAAQS

- Final NAAQS rule signed October 1, 2015, revising the primary and secondary 8-hour ozone standards to 0.070 ppm
- The overall framework and policy approach for the previous implementation rules for the 2008 ozone NAAQS provide an appropriate template for implementation of the 2015 revised standard
- Anticipated Schedule for 2015 Ozone NAAQS Implementation Rules/Guidance/Tools



Anticipated Schedule for 2015 Ozone NAAQS Implementation Rules/Guidance/Tools

Action	After NAAQS Promulgation	(Actual) and Planned Dates
EPA finalized 2015 Ozone NAAQS, Monitoring rules, Exceptional Event Demonstration Schedule, and PSD grandfathering.	Upon promulgation	(October 1, 2015)
EPA proposed Exceptional Events Rule revisions and issues draft Wildfire/Ozone Guidance		(November 10, 2015)
EPA issued Area Designations for the 2015 Ozone NAAQS	4 months	(February 25, 2016)
States and tribes submit recommendations for ozone designations to EPA	12 months	October 1, 2016
EPA publishes interstate ozone transport modeling	12 months	Fall 2016
EPA finalizes Exceptional Events Rule revisions and issues Wildfire/Ozone Guidance		Summer 2016

Intended Schedule for 2015 Ozone NAAQS Implementation Rules/Guidance/Tools
(*table continued*)

Action	After NAAQS Promulgation	(Actual) and Planned Dates
EPA proposes Nonattainment Area SIP rules/guidance (including area classifications, SIP due dates, and nonattainment NSR provisions)	12 months	September 2016
EPA finalizes Designations, Classifications, and nonattainment area SIP rules/guidance	24 months	October 2017
States submit Infrastructure and Transport SIPs	36 months	October 2018
States submit Attainment plans	5-6 years	2020-2021
Nonattainment Area Attainment Dates (Marginal – Extreme)	5-22 years	2020-2037

2015 Ozone NAAQS: Current and Upcoming Implementation-Related Rules/Guidance/Activities

- Area designations guidance (including assessing rural transport areas) issued to states in February 2016
 - <https://www.epa.gov/ozone-designations/ozone-designations-guidance-and-data>
- Proposed rule to update, where necessary, the existing ozone NAAQS implementation regulations targeted for September 2016 (more on next slide); final October 2017
- White paper on background ozone issued December 2015; workshop held in February 2016
 - <https://www.epa.gov/ozone-pollution/epa-workshop-background-ozone-february-24-and-25-2016>
- PSD permitting:
 - Final update to Guideline on Air Quality Models (Appendix W to 40 CFR Part 51) (summer 2016)
 - Guidance on compliance demonstration tools:
 - Ozone and PM_{2.5} significant impact level (SIL)
 - Model emissions rates for precursors (MERPs) (late summer 2016)
- Update to transportation conformity guidance specific to areas that are nonattainment for 2015 NAAQS (Fall 2017)



Key Issues to be Addressed in 2015 Ozone NAAQS SIP Requirements NPRM

1. Nonattainment area classification thresholds
2. Revocation of the 2008 ozone NAAQS
3. RFP – milestone compliance demonstrations
4. RACT – submission and implementation deadlines
5. NNSR – interprecursor trading



2015 Ozone NAAQS: Anticipated Timeline for Designations Process

Milestone	Date
The EPA promulgates 2015 Ozone NAAQS rule	October 1, 2015
The EPA issues designations guidance	February 25, 2016
States and tribes submit recommendations for ozone designations to EPA	No later than October 1, 2016
The EPA notifies states and tribes concerning any intended modifications to their recommendations (120-day letters)	No later than June 2, 2017 (120 days prior to final ozone area designations)
The EPA publishes public notice of state and tribal recommendations and the EPA's intended modifications, if any, and initiates 30-day public comment period	On or about June 9, 2017
End of 30-day public comment period	On or about July 10, 2017
States and tribes submit additional information, if any, to respond to the EPA's modification of a recommended designation	No later than August 7, 2017
The EPA promulgates final ozone area designations	No later than October 1, 2017



Background Ozone Definition and Sources

- U.S. background (USB) is defined to be any ozone formed from sources other than U.S. manmade ozone precursor emissions
 - Some states assert that manmade ozone precursor emissions from other states should also be considered background (to the receiving state)
- Sources of USB ozone include ozone formed...
 - naturally in the stratosphere and transported to the surface
 - from precursor emissions from natural sources (wildfires, vegetation, lightning, etc.)
 - from precursor emissions from manmade sources outside the U.S. (e.g., Mexico, China, etc.)



CAA Provisions That Can Address Background Ozone

- Section 319 of the CAA allows monitoring data influenced by exceptional events that would otherwise indicate a daily exceedance of the ozone NAAQS to be excluded in the calculations of whether a monitor is violating the NAAQS
 - Ozone formed from wildfire emissions or transported by stratospheric intrusion are generally eligible to be considered as exceptional events
 - Monitoring data affected by these events may be excluded from determinations of whether a monitor is violating the NAAQS if it is demonstrated that the data meet the criteria for exclusion in the Exceptional Events Rule
 - Other USB sources, including meteorological events that bring ozone and/or ozone-producing emissions from foreign countries into the U.S., are not considered “exceptional events” under EPA’s interpretation of the CAA



CAA Provisions That Can Address Background Ozone (cont.)

- Other provisions of the CAA may provide relief from some of the CAA-prescribed nonattainment area requirements, but alone do not provide authority to avoid a nonattainment designation that might be triggered by USB:
 - Rural transport areas (Sec 182(h)) – Nonattainment areas with no or few nearby manmade sources of ozone precursor emissions
 - Areas are only required to meet the CAA requirements for nonattainment areas classified Marginal
 - International transport provisions (Sec 179B) – Nonattainment areas unable to demonstrate or achieve attainment of the NAAQS due to the influence of international manmade ozone precursor emissions
 - Areas are only required to adopt reasonably available control measures and are not reclassified upon failure to attain by the area's attainment date



Background Ozone

- EPA recently discussed and characterized background ozone issues in several documents:
 - Proposed and final 2015 Ozone NAAQS review preambles
 - 2015 Ozone Implementation Memo from Janet McCabe to EPA Regional Administrators (October 1, 2015)
 - Background Ozone White Paper (December 30, 2015)
- To seek input from air agencies and other interested stakeholders, EPA held a workshop on background ozone and solicited written comments through March 31, 2016
 - Workshop held February 24-25, 2016
 - Docket for workshop materials and written comments EPA-HQ-OAR-2016-0097
- For more information visit https://www.epa.gov/sites/production/files/2015-10/documents/implementation_memo.pdf and <https://www.epa.gov/ozone-pollution/epa-workshop-background-ozone-february-24-and-25-2016>



Feedback Received on White Paper and at Background Ozone Workshop

- EPA may be underestimating the role of background ozone; more analysis is needed
- Available CAA provisions and policy tools do not provide the regulatory relief that air agencies need to avoid being subject to nonattainment provisions
- Need to develop policies for handling background-influenced areas in the implementation process (beyond those described in the white paper)
- Need for state guidance on how to prepare demonstrations related to the impacts of stratospheric intrusions and international transport
- Need to streamline and improve the exceptional events demonstration and review process
- EPA is evaluating these comments and requests



Exceptional Events

- Exceptional Events Rule Revisions and Wildfire Guidance Development
 - November 10, 2015 – sign Notice of Proposed Rulemaking for rule revisions and Notice of Availability for draft guidance
 - November 20, 2015 – publication in Federal Register (80 FR 72840)
 - December 8, 2015 – public hearing in Phoenix, Arizona
 - February 3, 2016 – close of comment period
 - Summer 2016 – sign final rule and issue final guidance document

- Communication and Outreach
 - Summer/Fall 2016
 - Additional draft guidance document(s) available for stakeholder review
 - Revisions to 2013 Interim Exceptional Events Implementation Guidance
 - Continued development of exceptional events tools (e.g., website, templates)
 - Implementation workshop(s)/webinars for states, tribes, and other affected stakeholders following promulgation



Exceptional Events: Comments on the Proposed Rule

- Environmental community not supportive of majority of proposed revisions
- States/industry generally supportive of streamlining efforts and asked for additional measures to improve efficiency:
 - Restructuring 6 criteria in 2007 Rule to 3 (includes removing “but for”)
 - Presumption that event-related emissions originating outside of jurisdiction are not reasonably controllable or preventable
 - Relying on EPA-approved attainment/maintenance SIPs to satisfy not reasonably controllable or preventable
 - Removing flagging and demonstration submittal deadlines
 - Clarification regarding components of a demonstration package
- States/Industry generally do not support:
 - Allowing Federal Land Managers to submit demonstrations
 - Not relying on infrastructure SIPs to satisfy not reasonably controllable or preventable
 - Using Air Quality Control Region boundaries to define the bounds for an area subject to event recurrence
 - General timelines for EPA response (prefer promulgated timelines)
 - Lack of a formal dispute resolution process



Exceptional Events: Comments on Wildfire Guidance

- Commenters generally support tiering concept, but believe identified approach is too restrictive
- Commenters do not fully support the Q/D methodology proposed as a key factor for defining a Tier 2 demonstration. Commenters note the difficulty in calculating Q/D and the limitations of identified tools (e.g., SMARTFIRE/BlueSky)
- Commenters ask for prescribed fire guidance



1997 and 2006 PM_{2.5} NAAQS Implementation

- EPA continues to implement the PM_{2.5} NAAQS under existing guidance
 - 1992 General Preamble and 1994 Addendum provide EPA's interpretation of subpart 4 requirements for PM₁₀ NAAQS
 - Deadline and Classifications Rule (issued June 2, 2014; litigation ongoing) clarified that all nonattainment areas at the time were Moderate and set a deadline of December 31, 2014, for states to submit revised SIP submissions to meet subpart 4 requirements
- 2006 PM_{2.5} NAAQS Moderate area attainment date was December 31, 2015
 - EPA has statutory duty to make determinations of attainment by the attainment date within 6 months after the attainment date (based on 2013-15 data)
 - Areas that failed to attain by the attainment date will be reclassified to Serious by operation of law and will need to submit a revised SIP within 18 months that includes BACM-level controls
 - EPA continues to work with states with data issues, but EPA anticipates being able to make determinations of attainment for all 2006 areas based on available data
- Center for Biological Diversity, Center for Environmental Health, and Neighbors for Clean Air filed a complaint on October 8, 2015 seeking final action on certain states' 2006 PM_{2.5} NAAQS attainment plans, NNSR plans, and infrastructure SIPs, and/or findings of failure to submit
 - Proposed consent decree would establish dates for EPA to take final action on state submissions and/or for states to make overdue submissions (affects 6 states: AZ, CA, ID, MT, OR, UT)
 - EPA seeking comment on proposed consent decree lodged with Court on March 23, 2016



PM_{2.5} NAAQS Implementation: SIP Requirements NPRM

- EPA proposed rule for SIP requirements that would apply to current and future PM_{2.5} nonattainment areas (published on March 23, 2015, 80 FR 15340)
- Proposal sought comment on all aspects of implementation under subparts 1 and 4, including:
 - Reasonably Available Control Measures (RACM) and Best Available Control Measures (BACM)
 - Reasonable further progress and quantitative milestones
 - Contingency measures
 - Attainment date extension criteria
 - Nonattainment New Source Review requirements
 - Precursor policy
- Comment period closed on May 29, 2015. About 50 substantive comments mostly received from state and local governments, but also industry, agricultural and environmental groups
- Final rule will apply to all areas designated nonattainment for the 1997, 2006 and 2012 PM_{2.5} NAAQS, and any additional areas designated nonattainment for these or future revised PM_{2.5} NAAQS
- Final rule projected for summer 2016; currently under OMB review



Progress on PM_{2.5} NAAQS Attainment

(as of March 24, 2016)

	1997 PM _{2.5} (2005 Designations)	2006 PM _{2.5} (2009 Designations)	2012 PM _{2.5} (2015 Designations)
Initial Nonattainment Areas	39	32	9
Areas Redesignated to Attainment	31	16	0
Current Nonattainment Areas	7	16	9
Clean Data Determinations	5	7	0
Proposed Redesignations	1	0	0



2010 SO₂ NAAQS Implementation

- EPA revised primary SO₂ standard on June 3, 2010 (75 ppb/1-hour)
- 1-hr SO₂ NAAQS NAA SIP elements guidance issued on April 24, 2014
- Attainment plans for 29 areas currently designated nonattainment were due April 4, 2015
- EPA issued findings of failure to submit (FFS) attainment plans for 16 areas in 11 states, effective April 18, 2016
 - Sanctions may apply if affected states do not submit complete SIPs within certain time periods stipulated under the Clean Air Act
 - Affected states may be subject to Federal Implementation Plans (FIPs) if they do not submit, and the EPA does not approve, SIPs for listed areas within 24 months (April 18, 2018)

2010 SO₂ NAAQS Designations

- Consent decree entered on March 2, 2015, by U.S. District Court for Northern California “triggered” the following deadlines consistent with a settlement with original plaintiffs:
 - July 2, 2016 - The EPA must complete a round of designations for areas associated with approximately 70 EGUs in 24 states and any undesignated areas with violating monitors (“Round 2” designations)
 - December 31, 2017 - The EPA must complete an additional round of designations for any area a state has not elected to monitor starting January 1, 2017 per the provisions of the DRR
 - December 31, 2020 - The EPA must complete all remaining designations (primarily expected to be areas where states have elected to monitor per the provisions of the DRR)

2010 SO₂ Designations Due in July 2, 2016 Under Consent Decree

What is covered in “Round 2”:

- Areas where 2013-15 data indicate monitored violations – only Hawaii County, HI
- Areas where there are sources (electric power plants) that as of March 2, 2015, have not been “announced for retirement,” and meet one of the following emissions thresholds:
 - 16,000 tons of emitted in 2012 or
 - 2,600 tons of SO₂ emitted in 2012 with an average emission rate of at least 0.45 pounds of SO₂ per mmBtu
- In 2015, EPA notified 24 states that 69 sources met these criteria

Schedule for Completing 2010 SO₂ NAAQS Designations Due on July 2, 2016

Milestone	Date
Court Order	March 2, 2015
Impacted states may submit updated recommendations and supporting information for area designations to the EPA	No later than September 18, 2015
The EPA notifies impacted states concerning any intended modifications to their recommendations (120-day letters)	February 16, 2016
End of 30-day public comment period	March 31, 2016
Impacted states provide additional information to demonstrate why an EPA modification is inappropriate	April 19, 2016
The EPA promulgates final SO ₂ area designations (no later than 16 months from Court Order)	No later than July 2, 2016

EPA's Intended Designations for SO₂ Areas Subject to the July 2, 2016 Deadline

Intended Designation	Number of Areas
Nonattainment	12
Unclassifiable	23
Unclassifiable/Attainment	31

- On or about February 16, 2016, the EPA notified representatives of 24 states of intended designations for areas subject to the July 2, 2016, court-ordered deadline
- A notice of availability and public comment period was published in the *Federal Register* on March 1, 2016 (81 FR 10563)
 - The public comment period ended on March 31, 2016
- States were asked to submit additional information to the EPA, should they wish, by April 19, 2016
 - Any new information will be considered to inform a final designation decision

SO₂ NAAQS Data Requirements Rule

- Final Data Requirements Rule, issued August 10, 2015, established requirements for air agencies to monitor or model ambient SO₂ levels in areas with largest sources of SO₂ emissions to help implement the 1-hour SO₂ NAAQS
- At a minimum, air agencies must characterize air quality around sources that emit 2,000 tons per year (tpy) or more of SO₂ or adopt enforceable emission limits that ensure that the source will not emit more than 2,000 tpy of SO₂
- Final rule established a schedule for air agencies to characterize air quality and to provide that air quality data to the EPA (does NOT establish designations schedule)
- New webpage provides information on listed sources and communication between states and EPA
 - <https://www3.epa.gov/airquality/sulfurdioxide/drr.html>

SO₂ NAAQS Data Requirements Rule: Implementation Timeline

- **January 15, 2016:** Air agency identifies applicable sources (i.e., those exceeding threshold and other sources for which air quality will be characterized)
 - EPA notified states in March 2016 that review of source lists was complete. In a few cases, EPA added sources to characterization list
- **July 1, 2016:** Air agency specifies (for each applicable source) whether it will monitor air quality, model air quality, or establish an enforceable limit
 - Air agency also accordingly submits a revised monitoring plan, modeling protocols, or descriptions of planned limits on source emissions to less than 2,000 tpy
- **January 2017**
 - New monitoring sites must be operational by January 1, 2017
 - Modeling analyses must be submitted to EPA by January 13, 2017
 - Documentation of federally enforceable emission limits and compliance must be submitted to EPA by January 13, 2017
- **Early 2020:** Monitoring sites will have 3 years of quality-assured data which must be submitted to EPA

SO₂ DRR Applicable Source Summary

- This table lists the states who have more than 10 sources to be characterized under the DRR
- The national (all states and territories) totals are also shown
- The District of Columbia and 7 states (AK, DE, ID, MA, NJ, RI, and VT) do not have any listed sources
- Note that 70 of the 379 total sources are characterized as part of the “Round 2” effort

State	# of Sources	EGU	Other
PA	26	16	10
TX	25	18	7
IN	17	11	6
KY	16	14	2
LA	16	5	11
MO	16	11	5
OH	16	11	5
WY	16	10	6
AL	15	8	7
IL	15	11	4
MI	13	11	2
NY	13	10	3
FL	12	8	4
IA	11	10	1
VA	11	5	6
TOTALS	379	266	113

Preparing for Remaining Designations

- Remaining designations as specified by the CD:
 - December 31, 2017 - any area a state has not elected to monitor starting January 1, 2017
 - December 31, 2020 - all remaining designations
- DRR compliance will put states in best position for an orderly designations process for these remaining rounds.
 - July 1: Monitoring plan and modeling protocol submittals
 - January 2017: Monitors operational (January 1); modeling analyses submitted (January 13)



Steps for Success in SO₂ Rounds 3 & 4

- Schedule is tight – Communication between states & regions is critical
 - Modeling protocols & monitoring plans can be complicated, so early engagement with your region is important
 - Approvals by regions after July submittals need to occur quickly, so no surprises at submittal
 - Quick approvals allow for time to perform modeling or install monitors by January 2017 deadline
- EPA (HQ & Regions) is ready to engage now on both of these issues to work towards successful submittals in January & committed to quick reviews
 - Early partial approval of SO₂ portion of monitoring plan possible
 - Several Model Clearinghouse approvals of adj u* already, Appendix W final likely to be delayed
- We recognize the uniqueness of this source characterization and the possible case-by-case analysis needed and we are ready to work with you in making this successful



Lead NAAQS Implementation Update

- EPA initially designated 22 areas as nonattainment for the 2008 Lead NAAQS:
 - 16 areas were designated nonattainment effective Dec. 31, 2010
 - 6 additional areas were designated nonattainment effective Dec. 31, 2011
- As of April 2016, 21 areas remain in nonattainment:
 - EPA redesignated Bellafontaine, OH from nonattainment to attainment (maintenance) effective 9/26/2014
 - 7 of the remaining areas have Clean Data Determinations:
 - Chicago, IL Belding, MI Eagan, MN Cleveland, OH
 - Delta, OH Lyons, PA Bristol, TN
- The 16 areas had until Dec. 31, 2015 to meet the standard
 - EPA will make determinations of whether the areas met their attainment dates after the certified monitoring data for 2015 are available



Status of Transport Rule Efforts

- Status of the Cross-State Air Pollution Rule (CSAPR)
 - EPA began implementation of this rule on January 1, 2015. It addresses interstate transport obligations for the 1997 ozone, 1997 PM_{2.5} and 2006 PM_{2.5} NAAQS
 - On July 28, 2015, the D.C. Circuit issued its opinion on the remaining issues raised with respect to CSAPR. While the rule was largely upheld, the budgets for some states were remanded.
- Proposed CSAPR Update Rule to address the 2008 ozone NAAQS
 - EPA proposed the CSAPR Update Rule in November 2015 to address the 2008 ozone NAAQS. The proposal focuses on near-term EGU NO_x reductions achievable by 2017 in the affected states
 - The proposal also addressed the court's remand of the CSAPR Phase 2 NO_x ozone budgets
 - The comment period closed on February 1, 2016
 - EPA plans to finalize this rule in the summer 2016
 - Additional information at <http://www.epa.gov/airtransport/>
- EPA is considering how best to help upwind states address the good neighbor provision for the 2015 Ozone NAAQS
 - EPA plans to share modeling in the fall of 2016 to help inform SIP development
 - We welcome suggestions regarding additional steps EPA could take



SIP Reform/Backlog

- NACAA-ECOS-EPA SIP Reform Workgroup discussed need to clear the SIP backlog and improve SIP processing
- Resulted in a joint commitment to:
 - Set a goal of clearing the current backlog (as of October 1, 2013) by the end of 2017
 - Manage the review of all other SIPs consistent with Clean Air Act deadlines
 - Develop 4-year management plans agreed upon by EPA Regions and states that identify the highest priority SIPs to process and meet the backlog reduction goal
 - Use best practices and tools developed through the PM_{2.5} Full Cycle Analysis Project (FCAP) to facilitate SIP processing
 - Increase transparency of SIP review status and improve EPA's SIP tracking system with fields that could be of assistance to states



SIP Reform/Backlog (Continued)

- Trends in SIP Processing
 - PM_{2.5} Full Cycle Analysis Project is completed; best practices to improve SIP processing being implemented
 - 4-year management plans in place for each state
 - EPA and states making good progress on eliminating the SIPs backlogged as of October 1, 2013
 - EPA and states working together to prioritize SIPs and manage the review of all other SIPs consistent with Clean Air Act deadlines



Response to SSM Petition, Final Policy and SIP Call

- Final action was signed May 22, 2015, in response to a Sierra Club petition for rulemaking concerning SIP provisions for treatment of excess emissions occurring during periods of startup, shutdown and malfunction (SSM)
 - Final notice restates EPA's SSM Policy as it applies to SIPs with one change regarding affirmative defense (AD) provisions
- SIP Call applies to 36 states (45 jurisdictions), the majority of which were named in the original petition
- Deadline for state action to remove provisions from their rules and make corrective SIP submissions is November 22, 2016
- Challenge from multiple parties filed with D.C. Circuit



Regional Haze: Status of Actions

- EPA has taken actions to satisfy the Consent Decree, but we have outstanding obligations in a few states (e.g., EGU BART in TX and LA, etc.)
- Litigation lingers in several states – with challenges for:
 - CSAPR reliance for EGU BART
 - FIPs (from states, affected sources, and environmental groups)
 - Disapproved SIPs (by states and affected sources) and approved SIPs (by environmental groups)
 - Actions on non-EGUs – e.g., taconite plants in MN
- Other RH related program issues are being considered and addressed:
 - Options for visibility protection iSIPs
 - July 28, 2015, CSAPR D.C. Circuit opinion and implications on RH SIPs/FIPs



Regional Haze Looking Forward: Planning for the Next Cycle of SIPs

- Next round of comprehensive planning SIPs are due July 31, 2018
- Rule amendments proposed on April 25, 2016 (81 FR 26942) include:
 - Provide certain clarification to reflect the Agency's long-standing interpretations of the 1999 Regional Haze rule
 - Shift the due date for these next SIPs to July 2021; will not prevent states from submitting SIPs earlier
 - Change the schedule and process for submitting 5-year Progress Reports
 - Revise aspects of RAVI provisions
- Public hearings for the proposed rule:
 - Washington, D.C. – May 19
 - Denver, CO – June 1



Regional Haze Looking Forward: Planning for the Next Cycle of SIPs (con't)

- EPA is developing guidance for two key aspects of the program:
 - Reasonable Progress (RP) Guidelines – Guidance for evaluating the statutory factors and making decisions on RP controls
 - Visibility Tracking – Tracking visibility progress based on impacts from controllable, anthropogenic emissions instead of all sources
 - Timing – draft guidance in spring 2016
- Outreach:
 - Listening session in RTP with RPOs, states, and tribes in March 2015
 - Conference calls with RPOs, states and Tribes in summer and fall 2015 on options for rule amendments and guidance
 - Informational webinars upon rule proposal and release of draft guidance



Draft Guidance on SILs for Ozone and PM_{2.5}

- Guidance will establish Significant Impact Levels (SILs) for Ozone and PM_{2.5}
- States have discretion to not use SILs
- Draft Guidance at OMB for interagency review
- Projected release date of draft guidance April-May 2016
- Projected release date for final guidance August-September 2016



E-Notice Rule for NSR, Title V and OCS Permitting

- The purpose of the rulemaking is to remove the mandatory newspaper publication requirement for air permits and provide electronic notice as an effective and adequate standard for public notice
 - States have the discretion to continue using newspaper notice
- Consistent with Clean Air Act Advisory Committee Task Force Recommendations
- The rule was proposed December 21, 2015 (80 FR 81234)
 - Comment Period ended February 29, 2016
 - Most comments were supportive with only one comment from a newspaper organization opposing the rule
- Final rule projected in summer 2016



40 CFR Part 56 Amendments – Regional Consistency

- EPA's Part 56 regulations require that EPA's regulations and policies be applied consistently across all the regional offices
- Following the Sixth Circuit decision *in Summit Petroleum Corp. v. EPA* (Title V permit for an Oil and Gas Source) decision, EPA issued a guidance memo that instructed the Regions to continue to use the concept of functional interrelatedness when defining a source outside a 6th Circuit Court state (i.e., MI, OH, KY, TN)
- D.C. Circuit vacated the guidance memo saying that the memo conflicted with our Part 56 regulations (*NEDACAP v. EPA*)
- Proposed Part 56 Amendments August 19, 2015 (80 FR 50250)
 - Provides an exception that would allow regions to deviate from national EPA policy when it is necessary to comply with a U.S. Circuit or District Court decision involving regional or locally applicable matters
 - Comment period ended November 3, 2015
 - Received 11 opposing comment letters from industry (no comments submitted by environmental groups or state or local governments)
- Final rule projected for summer 2016



Source Determination Rule for the Oil and Gas Sector

- Rule proposed on September 18, 2015 (80 FR 56579) two options specific to oil and gas sector based on previous guidance:
 - Option 1 - “Adjacent” means nearby (preferred)
 - Proposed distance limitation – ¼ mile (aggregate all equipment within) but asked for comment on appropriate distance
 - Option 2 - “Adjacent” includes sources beyond ¼ mile that are “exclusively functionally interrelated”
- Part of comprehensive Oil and Gas Strategy including NSPS, CTG and Indian Country FIP
- Final rule is expected to be signed in May 2016; currently under OMB review
- For more information visit <https://www3.epa.gov/airquality/oilandgas/actions.html>



Permit Rescission Rule

- Proposed rule will revise “Permit Rescission” provision at 40 CFR 52.21(w)
 - No provisions currently exist for rescission in EPA rules for state programs (Part 51)
- Purpose of the rule is to ensure that EPA does not have to revise (w) whenever a court decision nullifies rules for which EPA issued permits
- Para (w) amended in 1987 as part of TSP-to-PM10 transition:
 - Changed applicability cutoff to 7/30/87. The 1987 date has served to sunset the provision’s applicability (which is the principal reason for the GHG permit step 2 rescission rule)
- Proposed rule projected in summer 2016



Removal of Emergency Provisions from Part 70 and 71

- Proposed rulemaking to remove the “emergency” affirmative defense (AD) provisions from title V regulations 40 CFR 70.6(g) and 71.6(g)
- Follow-up action to similar rulemakings including the 2015 SSM SIP Call which is intended to ensure that the EPA’s policy on AD is consistent across all CAA program areas, following the D.C. Circuit’s *2014 NRDC v. EPA* case
- EPA considers these title V AD provisions to be discretionary elements of state programs, as well as individual permits
- EPA is considering how the removal of these provisions from the part 70 and 71 regulations will affect state, local and tribal operating permit programs and this will be addressed in the proposed action
- Proposal is expected summer 2016



Title V Permitting

- Title V Petitions Rulemaking
 - Proposal late spring/early summer 2016
- Title V Program and Fee Evaluation Guidance
 - Response to Office of Inspector General Report
 - Scheduled for release in fall 2016



Regulatory Updates for GHG Permitting

- In April 2015, EPA issued a final rulemaking action revising EPA's PSD regulations to enable the EPA to rescind EPA-issued PSD permits
 - Direct Final (80 FR 26183); Parallel Proposal (80 FR 26210)
- In August 2015, EPA issued a final rulemaking to remove certain provisions from PSD and title V that were vacated as part of the D.C. Circuit's April 2015 Amended Judgment (80 FR 50199)
- EPA is working on a proposed rule to establish a significant emissions rate for GHGs under the PSD program; currently under OMB review
 - This proposed rulemaking will also propose the remaining changes to PSD and title V that are necessary to fully implement the D.C. Circuit's April 2015 Amended Judgment
 - Proposal is projected for summer 2016



Clean Power Plan Update

- February 9, 2016 – The U.S. Supreme Court stayed implementation and enforcement of the Clean Power Plan pending judicial review
 - The Court's decision was not on the merits of the rule
- EPA firmly believes the Clean Power Plan will be upheld when the merits are considered because the rule rests on strong scientific and legal foundations
- For the states that choose to continue to work to cut carbon pollution from power plants and seek the agency's guidance and assistance, EPA will, in a manner consistent with the stay, continue to provide tools and support
- EPA expects to provide additional information as it is available

Key Points

- Implementation and enforcement are on hold
- State submittals not required on September 6, 2016
- EPA will continue to work with states that want to work with us on a voluntary basis



Questions and Comments

